

CALFRESH REQUEST FOR POLICY INTERPRETATION**PI# 18-06**

INSTRUCTIONS: Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Retain a copy for your records and submit via email to CalFresh-PI@dss.ca.gov.

Please note: the policy interpretation provided is based on the unique set of facts presented and should not be assumed to apply in all scenarios.

1. RESPONSE NEEDED DUE TO: <input type="checkbox"/> Policy/Regulation Interpretation <input checked="" type="checkbox"/> QC <input type="checkbox"/> Other:		5. DATE OF REQUEST: 01/08/2018	NEED RESPONSE BY: 01/18/2018
2. REQUESTOR NAME:		6. COUNTY/ORGANIZATION: Los Angeles County Quality Control	
3. PHONE NO.:	EMAIL:	7. SUBJECT: Self-Employment Evaluation	
4. REGULATION CITE(S): FNS 310		8. REFERENCES: <i>(Include ACL/ACIN, court cases, etc. in references)</i> NOTE: All requests must have a regulation cite(s) and/or a reference(s). FNS 310 - 1022 & 1022.1 MPP 63-502.132 63-503.413 (a) & 63-503.413 (b) (2)	

9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

Scenario: Customer stated....

- that they are paid in cash for providing child care to various families
 - that the days worked in the month and the amount paid in cash for the day's work vary
 - that they do not incur any expenses other than cost of transportation and vehicle maintenance (Customer owns vehicle)
- QC verified with the families the above mentioned circumstances.

Question: Is the cost of transportation and vehicle maintenance enough to consider the source of income as self-employment?

10. REQUESTOR'S PROPOSED ANSWER:

I believe if it was just one family, I would not consider self-employment as they are an employee of that one family. Constituting the employee / employer dynamic. This would be the same as driving to a regular job. Although in this scenario, the Customer is traveling to various locations providing their services which is conducive to freelancing or independent contracting. FNS 310 Section 1022.1, states to refer to certifying policy. Per Manual Section 63-503.413 (a), if the household elects the actual cost of doing include but are not limited to equipment and machinery. Thus, Self-Employed as the transportation cost would be allowed. Per Manual Section 63-503.413 (b) (2), if the household elects the 40% self-employment standard deduction, they are not allowed to claim transportation costs to and from work. Thus, Not Self-Employed as the only cost of doing business is transportation.

11. STATE POLICY RESPONSE (CFPB USE ONLY):

Per MPP 503.413(b)(1)(2), if actual costs are chosen, transportation expenses are disallowed, because it is accounted for by the earned income deduction. This factor will not determine self-employment. Please refer to the CF 24 related to self-employment, released September 21, 2017.

For QC purposes, if the HH member declares to be self-employed and QC does not find their statement questionable nor finds evidence to the contrary, QC will treat the income as self-employment. If the HH member can't determine whether he/she is self-employed, QC must contact the so-called employer to clarify if the participant is considered an employee.

(continued on next page)

FOR CDSS USE

DATE RECEIVED:

DATE RESPONDED TO COUNTY/ALJ: